

VZCZCXYZ0008
OO RUEHWEB

DE RUEHDBU #0045/01 0090933
ZNY CCCCC ZZH
O 090933Z JAN 09 ZDK
FM AMEMBASSY DUSHANBE
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1316
INFO RUCNCIS/CIS COLLECTIVE IMMEDIATE
RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 0243
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 0272
RUEHBUL/AMEMBASSY KABUL IMMEDIATE 0380
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 0211
RHMFISS/HQ USCENTCOM MACDILL AFB FL IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE 0262
RUEKJCS/DIA WASHDC IMMEDIATE 0146
RUEKJCS/JOINT STAFF WASHDC IMMEDIATE
RHEHNS/NSC WASHINGTON DC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE

C O N F I D E N T I A L DUSHANBE 000045

SIPDIS

DEPT FOR SCA/CEN

E.O. 12958: DECL: 01/09/2019

TAGS: [EAID](#) [ECON](#) [EINV](#) [PREL](#) [PGOV](#) [PHUM](#) [TI](#)

SUBJECT: TAJIKISTAN - SCENESETTER FOR JANUARY 17 VISIT OF
GENERAL DAVID PETRAEUS

Classified By: Ambassador Tracey A. Jacobson, reasons 1.4 (b) and (d)

¶1. (SBU) Embassy Dushanbe welcomes the upcoming visit of
General Petraeus. Following are an overview of the situation
and key issues we face in Tajikistan.

OVERVIEW

¶2. (C) The poorest former Soviet republic, Tajikistan borders
Afghanistan (1200 kilometers), China, Uzbekistan and
Kyrgyzstan. It is critically important to our efforts to
stabilize Afghanistan and the region. A major transit
country for Afghan opiates, Tajikistan relies on
international (mainly U.S. and EU) support to manage its
borders and build security capacity since taking over border
control from Russia in 2005. Poverty, massive labor
migration, a past civil war, and geography put Tajikistan in
a precarious position. Whether it becomes a bulwark against
narcotics trafficking and terrorism, or a fertile breeding
ground for these evils, depends largely on the effectiveness
of our engagement and assistance.

KEY GOALS FOR YOUR VISIT

¶3. (C) The mission's key goals for your short visit are to:

--Help you forge a relationship with President Rahmon and his
security officials (time permitting)

-- Thank Tajikistan for its provision of critically important
overflight rights

-- Secure Rahmon's agreement to accept a TRANSCOM team to
negotiate modalities for transit of materiel to Afghanistan
through Tajikistan

-- Encourage Tajikistan to cooperate with Afghanistan on
security, trade and energy issues

-- Emphasize that long term stability and security can only
come with real political and economic reform.

MEETING WITH PRESIDENT RAHMON

¶4. (C) The following topics are perennial favorites during meetings with President Rahmon.

Afghanistan: The Government of Tajikistan views Afghan-based narcotics trafficking and Islamic extremism as serious threats, and generally responds by minimizing contacts with Afghanistan. The Tajiks have been reluctant to cooperate seriously with the Government of Afghanistan in any field, and Tajik security services often seem bent on preventing commercial, cultural, and security links between the countries. This inhibits our efforts to foster regional integration and security cooperation and to make full use of the U.S.-funded bridge to Afghanistan at Nizhniy Pyanj.

¶5. (C) At the same time the Tajiks want us to succeed in stabilizing Afghanistan. President Rahmon will want reassurance that the United States remains committed to Afghanistan. Further he is likely to offer to support routing supplies to our forces in Afghanistan through Tajikistan although he likely will ask for assistance to upgrade rail and road infrastructure on the route to the bridge. Besides outlining the enhanced U.S. military and development efforts in Afghanistan, you should impress on him the importance of greater Tajik commercial, security, and cultural engagement to help that country's development.

¶6. (C) Uzbekistan: Rahmon views Uzbekistan as the other main external threat. The countries' relations are marked by mutual suspicion and recrimination. He will complain that Uzbekistan prevents Tajikistan's economic development by blocking construction of new hydroelectric stations and limiting transit of agricultural inputs and other goods to

Tajikistan. On January 1 Uzbekistan refused to renew the transit agreement for Turkmen electricity to Tajikistan, reducing Tajikistan's power supply when the country faces electricity shortages and cold winter weather. Last winter the Tajiks accused Uzbekistan of blocking humanitarian assistance shipments to Tajikistan. Ramon will accuse the Uzbeks of intentionally trying to bring Tajikistan to its knees.

¶7. (C) Investment: Rahmon and his ministers view foreign investment through the prism of their Soviet experience, and seek large state-led projects. While paying lip service to attracting private investment, Rahmon does not understand the need to reduce corruption and bureaucratic barriers. Rahmon likely will ask for USG financing for hydroelectric dams to reduce Tajikistan's chronic power shortages and to supply Afghanistan. The USG supports regional power integration through the Asian Development Bank (ADB). USAID's Regional Energy Markets Program will provide technical assistance to integrate central Asian energy networks.

¶8. (C) Relief for the Winter: Rahmon may ask for more U.S. humanitarian aid for Tajikistan this winter. Inadequate energy supplies and food insecurity remain serious problems for Tajikistan. Last year's brutal winter destroyed crops, seed stocks, food supplies, and livestock, making it more difficult for the rural poor to produce or afford food. Last summer, locusts and drought compounded the problem. The Food and Agriculture Organization (FAO) lists Tajikistan as one of 33 countries in crisis needing external food assistance, and its latest report says food security in Tajikistan is declining in the post-harvest period when it normally would be improving. Remittances from Russia, a critical economic support, may slow due to the international financial crisis and declining employment there. The Government has appealed for emergency financial support. The USG is providing major humanitarian assistance to help Tajikistan through the winter. Last year, the USG provided \$3.5 million in emergency assistance, and delivered \$10.7 million in relief supplies donated by private firms. The USG is distributing \$6.3 million in emergency assistance this winter, and will deliver \$13 million of privately donated medical supplies in 2009. Unfortunately, our multi-year \$8.5 million Food-for-Peace program is ending, however in part due to

strong DOD support, we were able to secure a one-time \$5.8 million Food-for-Peace-funded food delivery in the spring of 2009.

¶9. (C) Security Cooperation: This is a strong part of our relationship, as we share interests in Afghanistan. The Ministry of Defense (MOD) is opening to cooperation with Afghanistan. In November 2008 the Tajik Military Institute began training 30 Afghan officers. This seems to be a sincere effort to assist in building stability in Afghanistan, and sharply contrasts to the Border Guards' past refusal to train jointly with Afghan counterparts. Tajikistan accepted the Global Peacekeeping Operations Initiative (GPOI), funded at \$2.5 million. The MOD received a CENTCOM GPOI delegation in June, and with CENTCOM advisory assistance and limited infrastructure upgrades, committed to deploy a peacekeeping company by 2010. GPOI will help build a critical capability to will allow Tajikistan to "show the flag" on an international scale, and offer training and reform opportunities to others in the MOD. The Embassy is working with MOD to synchronize training and support to make this unit a reality. After overcoming Tajik visas delays for the Afghan contractor, we began to rebuild three border outposts on the Tajik-Afghan border. We are supporting a joint training facility at Tursunzade. We have robust Counter-narco-terrorism (CNT) program, that includes training and communications support. We also have IMET, FMF and mil-mil programs that support the security relationship, as do our programs through the State International Narcotics and Law Enforcement Bureau (INL) and the Export control and Border Services (EXBS).

¶10. (C) Counter Narcotics Cooperation: Cooperation on narcotics is a relative bright spot, but only superficially. While Tajik law enforcement and security services seize more

narcotics than other Central Asian states (and narcotics seizures were up 11% over 2007 in the first 9 months of 2008), they are not willing to arrest and prosecute narcotics smuggling ring leaders, some of whom are allegedly well-connected politically. We promote and see productive cooperation between the Tajik, Kyrgyz, and Afghan drug agencies. In mid-October, President Rahmon called for joint Tajik-Afghan law enforcement training. We welcome and will pursue this opening vigorously, but Border Guard and Committee on National Security generals have obstructed joint training of their service personnel in the past.

¶11. (C) The Bridge: Rahmon will almost certainly ask you to build at least one new bridge. However, the Tajiks have not devoted enough manpower to operate the Nizhniy Pyanj bridge around the clock. Traffic is 150 to 200 trucks a day crossing in either direction, well below the 1,000 vehicle per day capacity. Several other obstacles to full use of the bridge remain: it is difficult for Afghans to obtain Tajik visas because of bureaucracy and demands for bribes, and both sides are moving slowly to make full use of the border facilities. The inspection facilities on the Tajik end of the bridge are almost complete; the Government took legal possession of them last August. A request to route supplies to Afghanistan over this bridge will help push the Tajiks to make full use of this facility. However, they will still have concerns over roads leading to the bridge, which have been damaged by an increase in cargo traffic.

¶12. (C) Human Rights and Democracy: Although Rahmon tends to avoid this topic, it is necessary to remind him that long-term stability depends on democratic reform and respect for human rights. Tajikistan is backsliding on democracy and civil society development. The government continues to try to control all aspects of religious life, monitoring mosques, guiding the selection and appointment of imams, and harassing or expelling religious organizations that are deemed "foreign influences." Parliament is discussing a more restrictive draft law on religion that would violate Tajikistan's OSCE commitments. Government policies to control Islamic religious practice are out of touch with what is happening in

the country, and have had the opposite of their intended effect. We repeatedly tell the government that aggressive efforts to control religion can backfire, giving increased credibility to fundamentalists. The Government has increased pressure on civil society refusing to register the National Democratic Institute and harassing other international organizations.

¶13. (C) Cultural and Educational Cooperation: In 2008 the embassy's public affairs section managed about 150 academic and professional exchange visits, English language teaching and scholarship programs, and small grants to help Tajik civil society do community projects. CENTCOM's civil affairs team's school renovations complemented these efforts with urgently needed repairs. Last year the teams spent \$185,000 on urgently needed repairs. Last year the teams spent \$185,000 to renovate a school for the blind, an elementary school, an orphanage, and a teacher training institute, and distributed blankets to isolated areas in the winter. The civil affairs team is consulting with the government and embassy on future priorities.

¶14. (C) The Peace Corps would be an important addition to our efforts to build English language skills and cultural understanding among ordinary Tajiks. The Peace Corps did not come to Tajikistan after independence because of the Tajik civil war; the war ended in the late 1990s, and the Peace Corps could now operate in Tajikistan as it does in other Central Asian states. Under the new administration the Peace Corps may expand, and you might mention to Rahmon to keep this possibility in mind.

THE ECONOMY - ALUMINUM, COTTON, AND MANPOWER

¶15. (C) Tajikistan's largest industry is the Tajik Aluminum Company (Talco), accounting for 40% of GDP. State-owned, its revenue goes to an offshore company, controlled by President Rahmon whose finances are opaque. It is clear, however,

Tajikistan gets little of Talco's revenues, and senior officials have acknowledged privately that Talco and other state-owned enterprises do not pay their full tax bills, but fund prestige projects like the \$300 million presidential palace in the center of Dushanbe. The President has refused to allow an audit of Talco's offshore finances. Steep declines in world aluminum prices since July have hurt Talco and likely the President's spending plans. International press reported on a lawsuit in London, in which Tajikistan reportedly spent over \$135 million (about 4% of the country's 2007 GDP) pursuing Talco's previous management team for stealing Talco revenue; the old management team made counter accusations of massive fraud. In November the Government abruptly settled out of court.

¶16. (C) Cotton is the main agricultural product. The Soviets started a cotton culture here, and the post-Soviet rulers have found it profitable to continue. Agricultural sector reform is largely rhetorical; farmers are still forced to grow cotton, students are forced to pick it, and a few well-connected "investors" squeeze both with unfair labor practices and below-market prices. The cotton sector faces serious trouble; disruptions extreme cold last year and financial uncertainties led to a low 2008 harvest. Cotton investors likely will respond by trying to squeeze farmers even more.

¶17. (C) With few legitimate business opportunities in Tajikistan, and deteriorating education and public services, much of the population relies on remittances from Tajiks working abroad. In recent years, an estimated 50% of the working-age population moved abroad to seek permanent or temporary work. Donors observed increasing rates of emigration to Russia and elsewhere by rural Tajiks, even younger boys, and women. Their remittances equaled more than half of GDP and supported a majority of households. The global financial crisis will reduce jobs and/or wages for Tajiks in Russia; the question in most Tajiks' minds is, by

how much? Prolonged recession in Russia could destabilize Tajikistan, as hundreds of thousands of unemployed men return home to no economic prospects.

¶18. (C) Inflation was 20% in 2007, and 16% in 2008. Tajikistan imports 90% of its food. Basic food prices were much higher in 2008 than in 2007. The financial crisis might alter this trend Tajik social indicators are declining, health care and education are degenerating, and young Tajiks are worse prepared for life than those who grew up under the Soviet Union.

POWER PROBLEMS

¶19. (C) Despite some new hydropower stations, the country depends on a single hydroelectric station for almost all electricity. Winter slowdown of river flow, and problems importing electricity from Uzbekistan and Turkmenistan create a dire situation. Tajikistan has been forced to draw down its reservoir, making massive power shortages by mid-February more likely. Power rationing began earlier this year than last, with all of the country outside of Dushanbe getting Qlast, with all of the country outside of Dushanbe getting only six to seven hours of power per day since early October, including the northern city of Khujand, despite promises of full-time power there. Rationing has intensified dropping most places to one to three hours per day.

DONOR PROBLEMS TOO

¶20. (C) In April last year Tajikistan's credibility with foreign donors sank to a new low, when the National Bank of Tajikistan admitted it had purposefully failed to inform the International Monetary Fund (IMF) that it had used foreign currency reserves to illegally guarantee over \$240 million in foreign loans for Tajik cotton investors. The President fired the Central Bank Chairman - but immediately appointed him Deputy Prime Minister. The IMF demanded early repayment of \$47.8 million in loans to the National Bank. The Bank has made its first four of six scheduled payments. The IMF

required the National Bank to undergo an external audit by a reputable company, and key findings to be relayed to the IMF.

While no official results have yet emerged, we hear that auditors have been frustrated by poor recordkeeping and lack of cooperation. The EU and World Bank suspended over \$30 million in budget support to the Government until they receive a letter of assurance from the IMF, after the audit and IMF- mandated changes in the Central Bank structure.

INTERNAL STABILITY

¶21. (C) Tajikistan's political leadership is focused on control and increasingly intolerant of alternate viewpoints. Corruption is rampant, and government attempts to control it are viewed by observers as insincere and ineffective. While public dissatisfaction about the state of the country has started to affect President Rahmon's popularity, he retains considerable support. There are no serious efforts to reform the country's electoral processes. There is no opposition party able to influence government behavior. The Islamic Renaissance Party, Central Asia's only legal Islamist party, has two Members of Parliament, and growing popularity. But it is too weak and divided to pose a challenge to the President. Parliament rubber stamps Rahmon's decisions. The civil service has few qualified specialists, and government bodies have been driven to dysfunction by patronage and corruption. Brain drain to Russia and elsewhere is severe.

¶22. (C) The 1990s civil war was settled via a power sharing agreement, in which opposing regional factions controlled parts of the government with their attendant patronage and spoils. Rahmon gradually has reneged on this arrangement, removing oppositionists from positions of power and replacing them with loyalists from his home region of Kulyab. He fears

a renewal of regional opposition to his government, more so since his government's mismanagement during last winter's power and food crisis, and incidents early in 2008 of sometimes violent opposition to his rule in the Rasht Valley and Badakhshan. Both are regions associated with opposition groups, and Rahmon responded with material largesse for their impoverished inhabitants. His gift-laden visits to these regions appear to have successfully undermined the legitimacy of local opposition leaders, at least temporarily.

REGIONAL RELATIONS

¶23. (C) Efforts to advance economic integration between Tajikistan and Afghanistan, and more broadly between Central and South Asia, have seen some success. In August Tajikistan and Afghanistan signed a Power Purchase Agreement for electricity supplies from Tajikistan, opening the door to ADB financing to build a 220 KV transmission line to Kunduz by spring 2010. The ADB is also funding road construction to tie together Tajikistan and Kyrgyzstan. In October the USG hosted a conference of Central and South Asian aviation officials and companies, to foster market integration. We are discussing a regional commercial Open Skies agreement, but Tajikistan will move slowly seeking to protect its weak domestic aviation sector.

¶24. (C) Russia remains Tajikistan's most important partner. Its troops guarded Tajikistan's southern border until 2005, and continue to guarantee Tajikistan's security with an infantry division and to supply training and equipment. Russia supports a university in Dushanbe, and is opening Russian cultural centers around the country. Most young Tajiks no longer learn Russian, making them less employable in Russia, and persistent violence against Tajiks in Russia damages Russia's reputation, but there are few alternative destinations for Tajik workers. Russia has an interest in keeping Tajikistan dependent, with a need for Russian forces. Continued theater security cooperation programs are critical to give the Tajiks an alternative to Russian military protection.

¶25. (C) The other massive foreign presence in Tajikistan is China, which has made almost \$1 billion in low interest loans to Tajikistan for major road and power line projects. These projects clearly are linked to China's interest in developing its unstable western region and connecting it with Afghanistan and Pakistan. The money is spent mostly on imported Chinese labor and materials. Little money comes directly to Tajikistan from these projects, but their impact on Tajikistan's infrastructure is profound.

¶26. (C) Iran wants to be a player in Tajikistan, funding some infrastructure projects and relief activities, and trying to capitalize on the countries' shared language. However, deep suspicion of Iran's intentions by Tajikistan's secular government limits such cooperation.

CONCLUSION

¶27. (C) Tajikistan is in a precarious position. Whether the country becomes a stronger partner to fight narcotics trafficking and terrorism, or a fertile breeding ground for problems, depends largely in part on the impact of our engagement and assistance. The situation in Afghanistan requires a regional solution, which includes engaging effectively with Tajikistan. The country is a corrupt authoritarian state, but it functions and can be engaged. Further it has a critical interest in security in Afghanistan. With consistent senior level engagement and robust assistance, CENTCOM can continue to build on this shared interest to the benefit of security in the region as a whole.

JACOBSON